

BELLMON PROFILE

COUNTRY NAME : **NIGER**
FISCAL YEAR : **2003**

MONETIZED TITLE II COMMODITIES¹ **vegetable oil
rice**

JOINT MONETIZATION PROGRAM **Africare
CARE
Catholic Relief Services (CRS)
Hellen Keller International
(a sub-grantee to CRS)**

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Niger Consortium (Africare, CARE, CRS) Food For Work Project: Farm to market road -

COUNTRY BACKGROUND INFORMATION

The Republic of Niger is a landlocked economy situated in the middle of sub-Saharan West Africa, covering an area of 1.20 million km² and bordered by Algeria, Libya, Chad, Nigeria, Benin, Burkina Faso and Mali. With a population estimated at approximately 11.2 million² and an estimated per capita GNI of \$180², Niger is classified as a Least-Developed Country (LDC) and a **Low-Income Food-Deficit Country (LIFDC)**³. In 2002, the United Nations Development Program (UNDP) ranked Niger as 171 out of 172 in its Human Development Index (HDI)⁴.

Niger's economy centers on subsistence agriculture, animal husbandry, re-export trade and increasingly less on uranium because of declining world demand⁵. Of the 11% of the total land that is suitable for agricultural production, only 3% are cultivated with crops. Nearly 90% of the labor force is engaged in agriculture, which represents 40% of GDP.

1 As of FY 2000, Africare determined that it would not pursue the monetization of wheat flour in Niger

2 World Bank – "Niger at a Glance" – www.worldbank.org/data/ - 9/23/02

3 A Least Developed Country (LDC) is a UN General Assembly classification for "those low-income countries that are suffering from long-term handicaps to growth, in particular low levels of human resource development and severe structural weakness." A LIFDC is an FAO classification which includes all basic foodstuffs net importing countries with a per caput income below the level used by the World Bank to determine IDA.

4 UNDP « Human Development Report 2002 »

5 CIA, "The World Factbook" 2002

DISINCENTIVE DATA

The main foods consumed locally in Niger include millet, sorghum, maize, rice, wheat, and vegetable oil. Cereals represent 70% in total calorie intake. Table I shows whether each commodity is produced locally, imported and/or programmed.

Table 1: Niger – Foods Consumed, Produced and Programmed

Foods Consumed locally	Produced locally	Imported	Programmed
Sorghum	X		
Millet	X		
Wheat		X	
Rice	X	X	x
Veg. oil (clear)		X	x
Corn	X		

CROP PRODUCTION

Table 2 – Niger 2001/2002 Cereal production

Cereals	Production (t)
Millet	2,414,400
Sorghum	655,700
Corn	6,400
Rice	41,460
Wheat	6,300
Total	3,159,200

Source: Cilss – Centre Regional Agrhymet – PMI Nov 2001 – “Situation alimentaire cerealiere previsionnelle des pays du Cilss – Exercice 2001-2002”

Food crops produced in Niger include millet, sorghum, rice, corn and wheat. As table 2, The 2001/2002-crop production is estimated at 3,159,000 tons of cereals. This production is 49% greater than the 2000/2001 crop and 32% greater than the average of the past five years (2,391,000 tons). Per capita production is estimated at 298 kg, which represents a 45% increase over 2000/2001 and a 22% increase over the past five years. Available net production is estimated at 2,670,000 tons⁶.

⁶ Cilss – Centre Regional Agrhymet – PMI Nov 2001 – “Situation alimentaire cerealiere previsionnelle des pays du Cilss – Exercice 2001-2002”

With estimated food availability before imports of 2,698,200 tons, needs of 2,694,600 tons, a small deficit of 5,400 tons is anticipated. This gross total deficit includes gross deficits of 99,400 tons of rice and of 57,800 tons of wheat and a gross surplus of 151,800 tons of dry cereals (ibid). The 2001/2002-food security situation is expected to be good in general.

ANALYSIS OF THE VEGETABLE OIL MARKET

Description	Amount
1. Annual Consumption	40,000 ⁷
2. Average annual production of refined vegetable oil	8,800 ⁸
3. Five Year Average of clear edible oil imports	24,944 MT ⁹
4. Projected Edible Oil Deficit	6,106 MT
5. Amount available for Food Aid Programming	6,300 MT

Annual Consumption

There are no available consumption figures for the country, but the average consumption per person per year is estimated at 3.8 kg per person (FAO)¹⁰. When multiplied by the number of people in Niger, estimated to be 10,372,000 million, the total projected consumption of oils is approximately 40,000 MT (ibid). Prior to Africare's importation of Vitamin A fortified refined soybean oil, super-refined palm oil was the preferred commodity for local consumption. This was primarily due to price and availability. Yet when Africare's oil became available on the market with a competitive price, the soybean oil was preferred among consumers.

Average Annual Production

The only local oil produced in Niger is extracted from peanuts. Peanuts are produced in the southern middle regions of Niger (Zinder, Maradi and to a lesser extent Dosso). Production of peanut oil is estimated to be 17,900 MT and is primarily artesinal. Half of this production is estimated to be exported to Nigeria. Peanut oil is primarily for household use and is not considered at present a viable commercial product. It is only sold informally in the areas of the country where it is produced (ibid).

Peanut oil market is typically limited to regions of production as well as exported to northern Nigeria. Very little (974 MT) of peanut oil per year finds its way to Niamey¹¹. The peanut harvest occurs in October/November, and marketing takes place in November/December and can sometimes last until February. Although this is a small quantity with a localized market, Africare does not import vegetable oil during periods of peanut oil production or sale. Niger does not produce oil from cotton, sesame or other seed varieties. There is no production of refined clear edible oil in Niger.

⁷ Based on estimated projections by FAO as no national consumption figures exist

⁸ Source USDA and Ministry of Economy. Actually the production is estimated 17,600 MT but half of this production is estimated to be exported to Nigeria

⁹ The calculation utilizes the five-year average of imports as per the Customs Bureau of Niamey, 2001.

¹⁰ Africare- FSI in Niger – Bellmon update 04/10/02

¹¹ Direction de la Statistique et des Comptes Nationaux, Division du Secteur Informel

Five Year Average of Imports

According to import statistics obtained from the Customs Bureau, official imports of edible oil over the past 5 years were:

YEAR	TONNAGE
1996	17,687
1997	21,802
1998	26,592
1999	31,430
2000	27,209

Imports of clear oils are derived primarily from Cote d'Ivoire, Benin, Burkina Faso and to a lesser extent from various European countries; there are no commercial exports from the United States. No official figures for consumption of oil in Niger exist; the projection is based on consumption per person and per year (3.8 kg -- FAO) multiplied by the population.

Timing of Africare imports factors in the harvest and processing period of peanuts, in order to avoid any potential disincentive effect. Given the relatively minor level of imported vegetable oil represented by the Title II importation, negative market disruptions are not anticipated. Since American vegetable oil has been extremely successful, Africare will explore the idea of changing their commodity mix in the future.

ANALYSIS OF THE RICE MARKET

Description	Amount
1. Five Year Annual Consumption	135,725 MT
2. Five Year Average annual production of rice	41,460 MT ¹²
3. Five Year Average of rice imports	84,372 MT ¹³
4. Projected Rice Deficit	9,893 MT
5. Amount available for Food Aid Programming	18,500 MT

Annual Consumption

Overall, rice consumption has increased over the last 5 years. In 1996, consumption was 93,000 MT, whereas in year 2000, consumption was 135,000 MT. The production levels have remained relatively the same in Niger; thus the consumption of imported rice has been increasing annually. 14 (ibid)

14 FEWS Niger's Provisional Cereal Balance Report covering years 1996 - 2000, 2000/2001

Average Annual Production

The production has remained relatively the same over the five-year period, but the last two years are slightly below the five-year average.¹⁵

Five year Average of Imports

Approximately two-thirds of rice consumed in Niger is imported. The imported rice comes from various countries, including Pakistan, Thailand, Australia, Japan, Vietnam and India. The quality of the rice varies as well. 2001 was the first year that Niger received American rice through the Africare monetization program. The rice was very well received in the market, and the consumers were pleased with the quality. At certain times of the year, Niger receives gifts of rice from Japan. Africare is mindful of these importations, and have since modified our call-forward dates accordingly.

STORAGE

Africare takes delivery of Title II commodities in Niamey. Any additional inland transport costs incurred by buyers will be their responsibility. Adequate warehouse space for secure storage of commodities was confirmed. The Office des Produits Vivriers du Niger has the storage capacity for 25,000 MT. Private sector warehouses are also an option. With additional security hired by Africare during warehousing, the storage facilities are adequate and safe.

¹⁵ FEWS Niger's Provisional Cereal Balance Report covering years 1996 - 2000, 2000/2001